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Are Canadian markets trending towards a “takeunder”?

Canadian markets are seeing a new trend where companies are being traded unusually below their initial public offering prices, with some professionals calling this a “takeunder” trend, according to a report by [The Globe and Mail](#).

This includes the news of fast-food chain Freshii that will be acquired by a Montréal-based company—in a deal that’s likely to finalize early this year—for 80 per cent below its 2017 debut share price.

However, partner and co-head of Torys’ M&A practice [Karrin Powys-Lybbe](#) told *The Globe* that she believes the Freshii story is more of an outlier than a trendsetter.

“I think it is a retail bricks-and-mortar story as opposed to the Canadian capital markets being on display,” Karrin said.

“There are lots of headwinds for some businesses, whether it is the pandemic or interest rates, but I don’t think we should expect every Canadian company that went public in the last five years to struggle. And I think there are plenty that will do just fine.”

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